

 <p>Financial Assistance Award</p> <p>DENALI COMMISSION 510 L Street, Suite 410 Anchorage, Alaska 99501 (907) 271-1414 (phone) (907) 271-1415 (fax) www.denali.gov</p>		Award Number	01560-00																																																																													
		Award Title	Petersburg Medical Center Master Plan Project																																																																													
		Performance Period	February 1, 2019 through November 30, 2019																																																																													
Authority 112 Stat 1854	CFDA Number 90.100	<u>Recipient Organization & Address</u> Petersburg Medical Center PO BOX 589 Petersburg, AK 99833-0589 Phone: 907-772-4291 Recipient DUNS # 831176404 TIN # 92-6001607																																																																														
Denali Commission Finance Officer Certification																																																																																
<u>Cost Share Distribution Table</u> <table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <thead> <tr> <th rowspan="2">Accounting Code</th> <th colspan="2">New Funding</th> <th colspan="2">Prior Period Funding</th> <th rowspan="2">Total</th> </tr> <tr> <th>Denali Commission</th> <th>Other Contributors</th> <th>Denali Commission</th> <th>Other Contributors</th> </tr> </thead> <tbody> <tr> <td>95670000</td> <td>\$224,000.00</td> <td></td> <td>\$0.00</td> <td></td> <td>\$224,000.00</td> </tr> <tr> <td></td> <td>\$0.00</td> <td></td> <td>\$0.00</td> <td></td> <td>\$0.00</td> </tr> <tr> <td></td> <td>\$0.00</td> <td></td> <td>\$0.00</td> <td></td> <td>\$0.00</td> </tr> <tr> <td></td> <td>\$0.00</td> <td></td> <td>\$0.00</td> <td></td> <td>\$0.00</td> </tr> <tr> <td></td> <td>\$0.00</td> <td></td> <td>\$0.00</td> <td></td> <td>\$0.00</td> </tr> <tr> <td>Petersburg Medical Center</td> <td></td> <td>\$20,000.00</td> <td></td> <td>\$0.00</td> <td>\$20,000.00</td> </tr> <tr> <td></td> <td></td> <td>\$0.00</td> <td></td> <td>\$0.00</td> <td>\$0.00</td> </tr> <tr> <td></td> <td></td> <td>\$0.00</td> <td></td> <td>\$0.00</td> <td>\$0.00</td> </tr> <tr> <td></td> <td></td> <td>\$0.00</td> <td></td> <td>\$0.00</td> <td>\$0.00</td> </tr> <tr> <td></td> <td></td> <td>\$0.00</td> <td></td> <td>\$0.00</td> <td>\$0.00</td> </tr> <tr> <td>Total</td> <td>\$224,000.00</td> <td>\$20,000.00</td> <td>\$0.00</td> <td>\$0.00</td> <td>\$244,000.00</td> </tr> </tbody> </table>					Accounting Code	New Funding		Prior Period Funding		Total	Denali Commission	Other Contributors	Denali Commission	Other Contributors	95670000	\$224,000.00		\$0.00		\$224,000.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	Petersburg Medical Center		\$20,000.00		\$0.00	\$20,000.00			\$0.00		\$0.00	\$0.00			\$0.00		\$0.00	\$0.00			\$0.00		\$0.00	\$0.00			\$0.00		\$0.00	\$0.00	Total	\$224,000.00	\$20,000.00	\$0.00	\$0.00	\$244,000.00
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Signature of Authorized Official - Denali Commission Electronically Signed		Typed Name and Title Mr. Jay Farmwald Director of Programs		Date 01/31/2019																																																																												

AWARD ATTACHMENTS

Petersburg Medical Center

01560-00

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1. Terms and Conditions
 2. Attachment A
 3. Budget and Funding Summary

**Financial Assistance Award Terms and Conditions
Between the Denali Commission and Petersburg Medical Center
For Master Plan Project
Award No. 1560**

1. Project Summary

- a. Scope of Work: Master Plan - Phase I.
- b. Deliverables: Reports, Space Program, Drawings and Cost Estimates.
- c. Budget: The Commission is making \$224,000 available for the project via this Financial Assistance Award (FAA). This amount includes all direct, indirect, and pre-award costs (if any) authorized pursuant to 2 CFR 200.458. Other partners on the project include the Petersburg Medical Center, who is contributing an additional \$20,000. All Commission funding is intended to be used for the scope of work identified in this FAA only. Any funds remaining after the full scope of work has been completed shall be returned to the Denali Commission consistent with 2 CFR 200.345.
- d. Delivery Method: PMC will select a professional consultant team to perform the work.
- e. Performance Period: The Period of Performance for this FAA is 1 February 2019 through 30 November 2019. In accordance with 2 CFR 200.309 Recipients can only incur obligations or costs against this FAA during the Period of Performance, unless specifically authorized in the Special Provisions (Section 14 of this document). If a project cannot be completed within the approved Period of Performance, an extension request must be made in accordance with the Commission's *Recipient Guidelines and Requirements* (RGR) document dated September 2018, available at www.denali.gov.

More detailed information on scope, deliverables, budget, funding, project delivery method and/or management plan, schedule and key milestones are included in Attachment A dated 24 January 2019.

2. Project Reporting and Commission Site Visits

Progress reports and a close-out report are required under this FAA. Progress Reports shall be submitted at the frequency stipulated in the Special Provisions. The Closeout Report shall be completed within 90-days of the end of the Period of Performance. All reports must be submitted using the Denali Commission's on-line Project Database System, available at www.denali.gov/dcpdb.

Commission staff or agents of the Commission may make visits to the project site and/or home office to monitor progress during and/or after the Period of Performance. The Recipient shall coordinate and make information available as necessary to facilitate any such site visits.

Refer to the *Recipient Guidelines and Requirements* document for further information related to reports and site visits.

3. Payments

Payments under this FAA will be made in accordance with 2 CFR 200.305 by electronic transfer in response to a Standard Form 270 (SF-270) "Request for Advance or Reimbursement", submitted by the Recipient. At a minimum, all 270's must include summary cost information on labor, materials, contracts/consultants, and indirect costs. Detailed documentation is required for any single expenditure greater than \$50,000. If Pre-award Costs and/or Advance Payments are authorized under this FAA, the Special Provisions will indicate so. Requests for reimbursements may be made as needed. Refer to the *Recipient Guidelines and Requirements* document for further information about submitting SF-270's.

4. Modifications

In accordance with 2 CFR 200.308, the Recipient shall report deviations in project scope, budget, delivery method, management plan, schedule, or changed site conditions, and request prior approvals from the Program Manager. The Recipient shall also submit written requests to the Program Manager for the replacement of Key Staff identified in the Special Provisions. Refer to the *Recipient Guidelines and Requirements* document for further information about modifying a Financial Assistance Award.

5. Financial Management, Record Keeping, Internal Controls, and Audits

The Recipient must have financial management and record keeping systems that are consistent with 2 CFR 200.302. If the Recipient is a State organization it must expend and account for FAA funds in accordance with applicable State laws and procedures for expending and accounting for the State's own funds.

The Recipient must establish and maintain effective internal controls with respect to this FAA that are consistent with 2 CFR 200.303.

In accordance with 2 CFR 200.501, Recipients that expend \$750,000 or more of federal funds in a year shall have a single or program-specific audit conducted for that year.

Refer to the *Recipient Guidelines and Requirements* document for further information about financial management, record keeping, internal controls and audits.

6. Direct and Indirect Costs

All direct costs must be allowable and reasonable. Indirect costs must be allocable based on accepted accounting policies and practices. Indirect costs must be specifically included as a line item or identified with appropriate notes in the approved FAA budget. Refer to 2 CFR 200 Subpart E (Cost Principles) and the *Recipient Guidelines and Requirements* document for further information on direct and indirect costs.

7. Sub-Awards

All sub-awards and contracts issued by the Recipient under this FAA must comply with 2 CFR 200.331 and 332.

8. Procurements

- a. States: In accordance with 2 CFR 200.317, when procuring property and services under this FAA, a State Recipient must follow the same policies and procedures it uses for procurements from its non-Federal funds. The State Recipient must also comply with 2 CFR 200.322, and ensure that every purchase order or contract includes any clauses and provisions required by 2 CFR 200.326.
- b. Other Non-Federal Entities: All other non-Federal Recipients, including subrecipients of a State, must follow their own documented procurement procedures, provided that the procedures conform to applicable Federal law and the standards in 2 CFR 200.318 through 200.326. Refer to the *Recipient Guidelines and Requirements* document for further information on this subject.

9. Acknowledgement of Support

The Recipient shall name the Denali Commission as a financial contributor and project/program partner in all media correspondence related to the work supported by this FAA. If Commission funds are used for construction, the Recipient shall also display a sign at the construction site that acknowledges the Commission's support. Refer to the *Recipient Guidelines and Requirements* document for further information on this subject.

10. Real Property and Equipment

The Disposition requirements and restrictions set forth in 2 CFR 200.310 through 200.316 apply, unless specifically altered in the Special Provisions to this FAA.

Any Real Property reporting requirements apply in accordance with 2 CFR 200.329 will be stipulated in the Special Provisions to this FAA.

11. Conflict of Interest

In accordance with 2 CFR 200.112, the Recipient must disclose in writing any potential conflicts of interest to the Commission. In addition, 2 CFR 200.318 requires that Recipients maintain written standards of conduct covering conflicts of interest and governing the performance of their employees engaged in the selection, award, and administration of contracts. Refer to the *Recipient Guidelines and Requirements* document for further information on this subject.

12. Denali Commission Policies

Recipients may be required to comply with certain published Denali Commission policies which can be found in the *Recipient Guidelines and Requirements* document. Any specific requirements or deliverables related to these policies will be stipulated in the Special Provisions to this FAA.

13. Laws and Regulations

Recipients are required to comply with all applicable Federal laws and regulations. General categories of potentially applicable laws and regulations are summarized below. Refer to the *Recipient Guidelines and Requirements* document for further information on specific laws and regulations that may apply.

- a. Debarment and Suspension
- b. Whistle-blower Protection
- c. Non-Discrimination
- d. Lobbying and Propaganda
- e. Environmental
- f. Drug-Free Workplace
- g. Travel
- h. Human Rights
- i. Animal Welfare
- j. Executive Compensation

14. Other Provisions

- a. The United States expressly disclaims any and all responsibility or liability to the Recipient or sub-recipients for the actions of the Recipient or sub-recipients resulting in death, bodily injury, property damages, or any other losses resulting in any way from the performance of this FAA, including sub-awards, contracts, or sub-contracts issued in connection with this FAA.
- b. To the maximum extent practicable, considering applicable laws, the Recipient shall accomplish the project contemplated by this FAA using local Alaska firms and labor.
- c. All terms and conditions contained in this FAA apply to any sub-recipient under this FAA.

- d. Failure to comply with the provisions of this FAA or maintain satisfactory performance may result in additional FAA conditions pursuant to 2 CFR 207. This includes but is not limited to: temporarily withholding of payments pending the correction of the deficiency; disallowance of project costs; wholly or partially suspending or terminating the FAA. In addition, failure to comply with the provisions of this FAA may also have a negative impact on the Recipient's eligibility for future Federal awards.

15. Special Provisions

Progress Reports: Shall be submitted on a quarterly basis. The first reporting period is 1 February 2019 to 31 March 2019, and quarterly thereafter in accordance with the Commission's *Recipient Guidelines and Requirements*.

Pre-award Costs and Advance Payments: n/a

Key Staff: Philip Hofstetter, PMC/CEO

Denali Commission Policies: n/a

NEPA: Type A.5. Categorical Exclusion per Denali Commission National Environmental Policy Act (NEPA) Implementing Procedures published in 45 CFR Part 900 on October 1, 2016 therefore no further NEPA documentation required.

Cooperative Agreement: PMC agrees to cooperate and collaborate with the Denali Commission during the project. The Commission will participate in those specific activities stipulated in Attachment A.

16. Program Manager, Financial Manager & Other Contact Information

Denali Commission	PMC
Kristen Arnold Program Manager 510 L Street, Suite 410 Anchorage, AK 99501 Phone: 907-271-5239 E-mail: karnold@denali.gov	Philip Hofstetter Project Manager P.O. Box 589 Petersburg, AK 99833 Phone: 907-772-4291 Email: phofstetter@pmc-health.org
Janet Davis Grants Management Officer 510 L Street, Suite 410 Anchorage, AK 99501 Phone: 907-271-3036 E-mail: jdavis@denali.gov	Doran Hammett Chief Financial Officer P.O. Box 589 Petersburg, AK 99833 Phone: 907-772-5713 Email: dhammett@pmc-health.org

Financial Assistance Award 1560
Between the Denali Commission and Petersburg Medical Center
For Master Plan Project – Phase I
Attachment A

24 January 2019

Background

Petersburg Medical Center (PMC) is a small 12-bed Critical Access Hospital located on Mitkof Island in Southeast Alaska. The facility, which totals approximately 50,000 gsf, includes the hospital building itself, an outpatient clinic and a 15 bed Long Term Care (LTC) facility. The structure that houses the LTC was constructed in the 1960's; the hospital in the 1980's; and the clinic in the 1990's. A recent Facility Condition Assessment indicates that some of the building components and systems are nearing the end of their useful life. Accordingly, PMC has begun to explore renovation vs. new construction alternatives. Any analysis of design/construction alternatives needs to also consider potential program and service line changes.

Relevant background documents include the following.

- 2001: Community Needs Assessment (*Alaska Center for Rural Health*)
- 2006: Performance Improvement Consultation (*Stroudwater Associates*)
- 2013: Mental Health Services MAPP Analysis (*PMHS, SHARE, PMC*)
- 2015: Community Health Needs Assessment (*Shelley Hjort*)
- 2015: Facility Condition Assessment (*Jensen, Yorba, Lott Architects*)
- 2016: Borough Comprehensive Plan Update (*Agnew-Beck Consulting*)
- 2017: Community Needs Assessment and Forces of Change Analysis (*Dr. Monica Gross*)
- 2018: Community Needs Implementation Strategy (*Dr. Monica Gross*)
- 2018: Financial Feasibility Study – Phase I (*BDO, LLP*)
- 2018: Petersburg Medical Center Strategic Plan: FY2019 – FY2023 (*PMC Board of Directors*)
- 2018: Community Café Results (*PMC*)

The scope of work and other information in this document summarize the next logical steps in the PMC Renovation / Replacement Project planning process.

Scope of Work

a. Review Background Documents

Review all relevant facility, program and finance related documents.

b. Perform Structural Analysis of Existing Facility

Determine structural condition of the existing facility and summarize upgrades required to be compliant with existing building codes.

c. Perform Inundation Study

Summarize risks at the existing site and potential new construction site(s) near the airport due to Tsunamis and other coastal storm/flood events.

d. Prepare a Detailed Debt Capacity Analysis

Expand on the June 2018 Analysis prepared by BDO. Include preliminary information on financing alternatives.

e. Review Demographic, Workload and Staffing Data

Summarize demographic, workload and staffing data needed to:

- Complete the market and service line analysis
- Prepare a space program

f. Prepare Updated Market and Service Line Analysis

Consider Emergency Services, Acute Care, Surgical Services, Primary Care, Obstetric Care, Outpatient Services, Dental Services, Wellness and Public Health Nursing Services, Diagnostic Services, Ancillary Services, Itinerant Specialty Services, and Senior Services.

Describe market in both geographic and demographic terms. Identify opportunities for growth. Evaluate competition and potential affiliations. Conduct a public hearing as part of data collection and analysis process.

g. Prepare a Recommended Space Program

Use criteria published by the Federal Guidelines Institute and other appropriate industry standards.

- *Guidelines For Design And Construction Of Health Care Facilities*
- *Guidelines For Design And Construction Of Outpatient Facilities*
- *Guidelines For Design And Construction Of Residential Health Care and Support Facilities*

Use information regarding debt capacity, market demand, workload, staffing, etc. to be strategic/realistic in determining scope of programs/services and hence space, capital cost and operational costs.

h. Prepare Concept Level Drawings and Narratives

- Renovation/expansion at existing site
- New construction near airport

Drawings should include basic site plan information, building massing, and floor plans at a block departmental level so that program staff can understand proximities and general circulation patterns. Narratives for architectural, structural, civil, mechanical and electrical systems should be of sufficient detail to facilitate the development of concept level cost estimates.

i. Prepare Cost Estimates for Renovation and New Construction Concepts

Both options should include an allowance for furniture, fixture and equipment (FF&E) upgrades. The new construction option should also include the cost of land acquisition, any required off-site infrastructure improvements, and repurposing/disposal of the existing facility.

Deliverables

1. Structural Engineering Report
2. Inundation Study Report
3. Debt Capacity Analysis
4. Summary of Workload and Demographic Data
5. Market and Service Line Report
6. Space Program
7. Concept Drawings and Narratives
8. Cost Estimates

The deliverables produced during Phase I of the Master Plan Project should be of sufficient detail so that PMC can initiate Phase II of the Master Plan Project, which involves the following.

- j. Confirm Site Assumptions for the New Construction Option, including constructability, acquisition costs, etc.
- k. Prepare Financing Proposals for Renovation vs. New Construction
- l. Prepare a Traffic Analysis Comparing Renovation vs. New Construction
- m. Hold Initial Discussions with CMS and State DHSS
- n. Prepare a Community Engagement Plan to Facilitate Making a Final Decision on Service Lines, Renovation vs. New Construction, and a Financing Strategy
- o. Prepare a Business Plan for the Proposed New Facility
- p. Start the Schematic Design Phase of the Project

Delivery Method

PMC will use a competitive qualifications-based RFP process to select a consultant team to produce the Master Plan deliverables. PMC management and professional staff will support the consultant(s) as necessary.

Performance Period

The overall performance period for this Financial Assistance Award is ten months, from 1 February 2019 to 30 November 2019. Key milestones are summarized below.

30 April: Finalize contract(s) with consultant team

31 May: Complete structural analysis, inundation study and debt capacity analysis

30 June: Complete demographic, workload and staffing data analysis

31 August: Complete market and service line analysis

30 September: Complete space program

31 October: Complete concept drawings

30 November: Complete cost estimates

Budget

The Denali Commission is making \$224,000 available for the Master Plan – Phase I scope of work. A Budget and Funding summary appears on page 5.

Denali Commission support for Phase I of the Master Plan Project does not imply or commit the Commission to support Phase II of the Master Plan Project, or any other aspects of the overall PMC Upgrade/Replacement Project.

Cooperative Agreement

The Denali Commission Director of Programs will provide technical assistance from time to time during the performance period, including participation in RFP process and review of the Phase I deliverables.

Master Plan - Phase I
Budget and Funding Summary

January 24, 2019

BUDGET				
Line	Item	Provided By	Amount	Basis/Notes
1	Review Background Documents	Consultant	\$7,200	40 hrs at \$180/hr
2	Structural Analysis	Consultant	\$28,800	160 hrs at \$180/hr
3	Inundation Study	Consultant	\$14,400	80 hrs at \$180/hr
4	Debt Capacity Analysis	Consultant	\$12,000	80 hrs at \$150/hr
5	Review Demographic, Workload and Staffing Data	Consultant	\$36,000	240 manhours at an average rate of of \$150/hr
6	Market and Service Line Analysis	Consultant	\$43,200	240 hrs at \$180/hr
7	Space Program	Consultant	\$12,000	80 manhours at an average rate of \$150/hr
8	Concept Drawings and Narratives	Consultant	\$48,000	320 manhours at an average rate of \$150/hr
9	Cost Estimates	Consultant	\$10,400	80 manhours at an average rate of \$130/hr
10	In-House PMC Staff Support	PMC	\$12,000	allowance for direct support of master plan project (includes time to select consultant); assume 24 manhours per month over 10 months at an average burdened rate of \$50/hr
11	Travel Allowance	PMC	\$20,000	for consultants; assume 10 trips at an average cost of \$2,000 per person per trip
12	Total		\$244,000	

Additional Notes:

a. PMC does not have an established federal indirect rate, but is aware of the 10% de-minimus rate referenced in 2 CFR 200.414. PMC has waived all indirect costs on this Award; reference documentation from the PMC/CEO dated 29 January 2019 (Pre-Award Risk Assessment Questionnaire).

FUNDING				
Line	Source	Award or Reference	Amount	Notes
13	Denali Commission	This Action	\$224,000	
14	Petersburg Medical Center	PMC Files	\$20,000	Approved by PMC Board in October 2018
15	Total		\$244,000	